

Preliminary Research Report and List of Activities

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Throughout the 1990s to date there has been growing interest and participation in the exploitation of the mineral resources of Ghana. This growing interest and participation is facilitated by the nature of mineral policy regime operating in Ghana. Within the framework of trade and investment liberalisation the mineral policy regime operating in Ghana since the mid 1980s have tended to prioritise the interest of foreign mining companies by offering them protection and high incentives for their investment portfolios. The objective of this research is to contribute to better understanding in the area of CSR by producing empirically based research on four (4) foreign mining companies and the CSR strategies which they have introduced to further social and economic development in Ghana. The central argument of the research is that while the provision of CSR projects may constitute an important cost element to foreign mining companies it remains an instrument for reinforcing corporate capture of the livelihood of beneficiary communities. This preliminary report outlines the background issues, the objectives, organisation of the report, overview of the selected mines, review of literature and methodology.

Mots clés

Ghana, Corporate Social Responsibility (CSR), mineral resources, mineral policy regime, mining company.

PRELIMINARY RESEARCH REPORT AND LIST OF ACTIVITIES FEBRUARY 2013
Abdulai Darimani

This is a brief report and list of activities undertaken in respect of the Ghana research on corporate social responsibility sponsored by IDRC.

Study Area and Mining Companies

The mining companies and study area have been identified. These are Gold Field Ghana Limited in Tarkwa in the Tarkwa-Nsuaem Municipal Assembly in the Western Region; AngloGold Ashanti in Obuasi mine in the Obuasi Municipal Assembly of Ashanti Region; Newmont Ghana Gold Limited in Kenyasi and New Abirim in the Asutifi North District and Birim North District in the Brong Ahafo and Eastern Regions respectively; and Ghana Bauxite Company Limited in Awaso in the Bibiani-Ahianso-Sewfi District in the Western Region.

Introductory write to define research focus and boundaries

An introductory part of the research paper which outlined the background issues, the objectives, organisation of the report, overview of the selected mines, review of literature and methodology have been put up. However, the literature review aspect would require further work to elaborate on and better place the theoretical framework. (See introductory part below).

Instruments for Data Collection

Instruments for data gathering have been developed. These are semi-structured questionnaire for mining companies and Ghana Chamber of Mines as well as staff of civil society organisations, District Assemblies where the mines operate and Central State Agencies like the Minerals Commission, Ghana Revenue Authority and Environmental Protection Agency. Guided questions for focus group discussions and household interviews have also been developed.

Field Consultation

Field consultation has began and is progressing

- Initial consultation has been held with Newmont Ghana Gold Limited, Gold Fields Ghana Limited and AngloGold Ashanti. Chirano Gold Mines was initially selected for the study but due to difficulty of contacts this has been replaced with Ghana Bauxite Company.
- Interview has been held with the Ghana Chamber of Mines on December 6, 2012 in Accra.
- During the same week interviews were held with the Minerals Commission and Ghana Revenue Authority to obtain.
- Discussions were held with traditional authority, beneficiary communities and civil society organisations operating in Asutifi North District Assembly from December 27th, 2012 to January 8th, 2013

- Discussions were held with beneficiary communities and staff of Tarkwa-Nsuaem Municipal Assembly from February 4-15th, 2013.

Emerging issues

1. Mining companies in Ghana provide variety of corporate social responsibility projects ranging from infrastructure for schools, health, water, electricity, market and roads through training and scholarships, among others.
2. The corporate social responsibility projects provided to communities by mining companies are consistent with projects proposed by Local Assemblies in their Medium Term development Projects. However, the location and cost of these projects are determined by the mining companies and not the Local Assemblies.
3. Mining companies fund the corporate social responsibility projects. Gold Fields and Newmont have set up foundations from which they fund corporate social responsibility projects.
4. The legal regime, in particular the tax laws provide subsidy for mining companies. So while the CSR projects are covered directly by mining companies the tax allowances constitute a major source of subsidy to mining companies. For instance, in the Asutifi North District, Newmont does not pay property rate. A stability agreement signed between the company and the government of Ghana prevented the local Assembly from imposing property rate on the company. This has been a major issue of concern to the Assembly.
5. Communities take part in the planning process, and sometimes also in the implementation of CSR projects. However, communities see the process and projects as owned by mining companies. In some cases, the companies actual set the agenda and drive the process.
6. Community ownership of CSR projects is a major problem in the Tarkwa-Nsuaem Municipal Assembly. According to the Assembly the key challenges in respective of CSR delivery is lack of training before projects are handed over to communities. There is also lack of ownership of beneficiary communities and this creates difficulty for the Assemblies. The Assembly pointed out that the different approaches to project delivery are a major source of debate between Assembly and Companies. While Assembly wants communities to take ownership of projects, mining companies want quick results and so deliver projects in response to community demand without consideration of responsibility for maintenance and repairs.
7. There is no national policy or law regarding CSR in the mining sector in Ghana. The Minerals Commission indicated that as part of livelihood promotion in the mining sector the Commission encouraged mining companies to “take CSR serious”. This is an area of

debate between a section of civil society and state actors in the mining sector whether to legalise CSR.

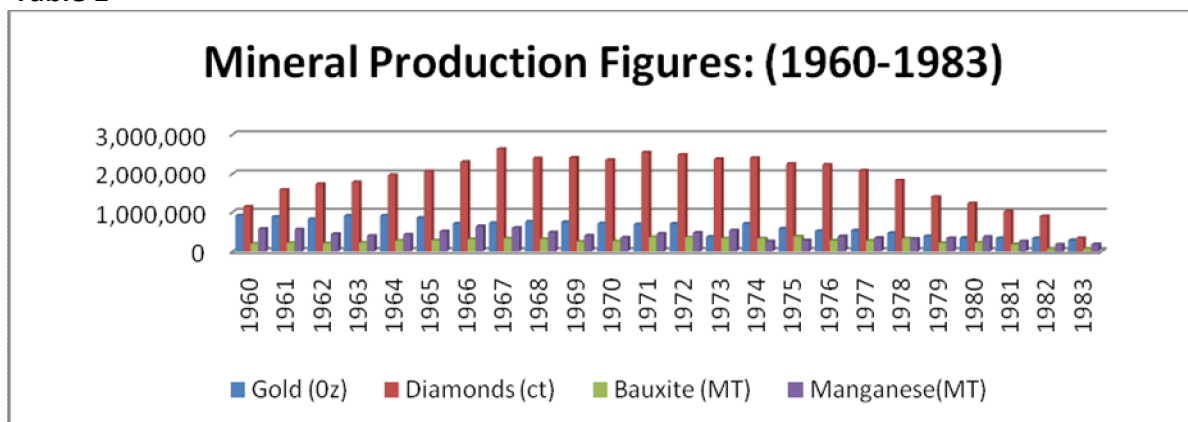
8. Sustainability of livelihood is emerging as another area of contestation while pro-industry practitioners believe in the sustainability of CSR projects for livelihood communities argue that CSR for livelihood are not sustainable because:
 - CSR projects do not create additional jobs that are significant to match the unemployment created by mining projects through dispossession of land and others.
 - Some of the projects which are common in nature are highly unlikely to continue if company withdraws support, perhaps only a few may continue.
 - CSR projects do not constitute adequate replacement of livelihood sources that communities lost to mining companies

THE ROLE OF CORPORATE SOCIAL RESPONSIBILITY (CSR) IN THE MINING SECTOR IN PROMOTING COMMUNITY LIVELIHOOD AND DEVELOPMENT IN GHANA

1.0 INTRODUCTION

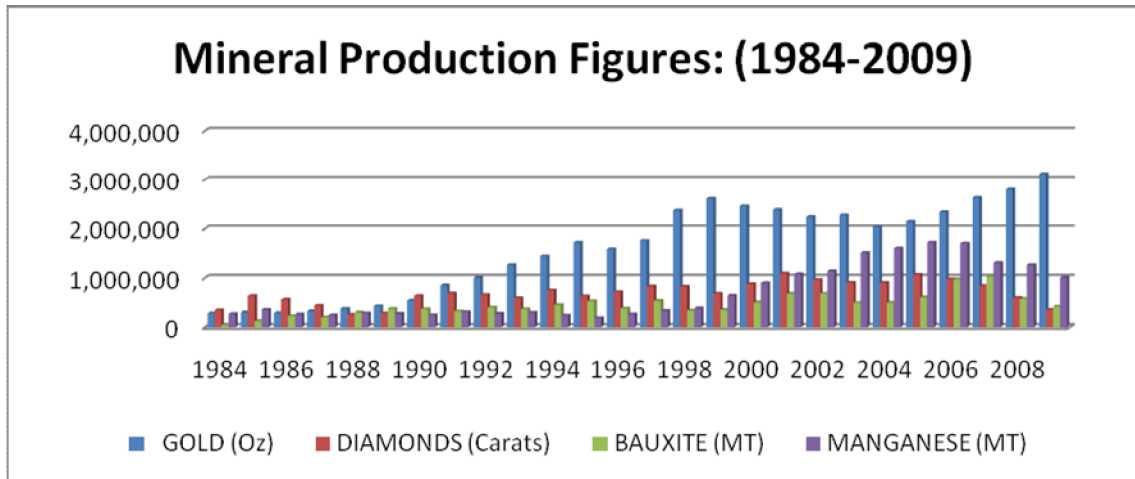
Throughout the 1990s to date there has been growing interest and participation in the exploitation of the mineral resources of Ghana. This growing interest and participation is facilitated by the nature of mineral policy regime operating in Ghana. Within the framework of trade and investment liberalisation the mineral policy regime operating in Ghana since the mid 1980s have tended to prioritise the interest of foreign mining companies by offering them protection and high incentives for their investment portfolios. The World Bank inspired pieces of mining legislation were primarily designed to attract foreign direct investment. From the inception of the reforms in 1983 to date the mining sector has witnessed considerable investment boom. The Mineral Commission (2011) reported that foreign direct investment inflows for mining, since 1983 amounted to US\$10.8 billion in 2010. The result has been a boom in mineral activities and production.

Table 1



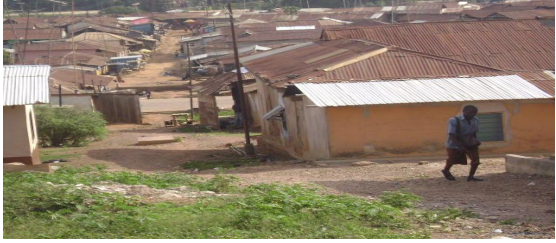

Source: Minerals Commission, 2011


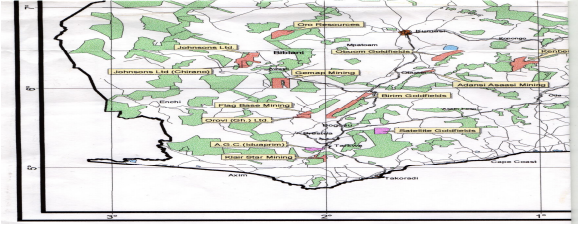

Table 2



Source: Minerals Commission, 2011

The mining boom in Ghana has been accompanied with unequal distribution of the cost and benefits of mineral resource exploitation between the various actors affected and or with interest in the mineral resources. Mining investment has often caused negative economic, environmental and social impacts. Some of the noticeable negative impacts are land degradation, water pollution, involuntary resettlement and relocation, displacement of communities from access to land and other livelihood sources. Local communities in mining areas are the worse victims of these negative impacts.

	<p>Bibiani an old mining settlement in the Bibiani-Ahianso-Sefwi District of Western Region is yet to benefit from infrastructural transformation after decades of gold extraction</p>
	<p>Water body near Jimiso, Obuasi and other communities rendered unusable from pollution caused by gold exploration activities in Obuasi in the Obuasi Municipal Assembly of Ashanti Region</p>

	<p>Land taken for mining deprives hundreds of farmers from access to farmland in the Bibiani-Ahianso-Sefwi District of Western Region</p>
	<p>The map shows various stages of mining activities (prospecting, exploration and production) taking place in Ghana's Forest Reserves</p>
	<p>Bullions of gold extracted from Obuasi ready to fly out of the local economy under legalised by the laws of Ghana.</p>

In response to the challenges of industrial mining, corporate social responsibility (CSR) has emerged in the mining sector to absolve mining companies from causing harm to public good and to correct the imbalances created through their investment. In the mining sector in Ghana, Corporate Social Responsibility has come in various shapes, scales and models. In recent times, the issue is not so much about whether private mining companies undertake or provide corporate social responsibility in the areas of their operation. Rather it is about the extent to which CSR as a strategy contributes to sustainable improvement in the livelihoods and development of rural communities in mining areas. As CSR initiatives expand as a means to improve community livelihood and development in mining areas, there appears to be a tension which results from the tendency on the part of private mining companies to perpetuate past fiscal, employment and production strategies, that involve patterns which have proven disappointing in terms of promoting social development in the past, while accompanying them CSR measures. For instance, to what extent do CSR initiatives improve community livelihood and development when private mining companies succeed in dispossession them from land and other natural resources the very foundation upon which the people launch and pursue their livelihood and survival strategies.

2.0 OBJECTIVE OF THE RESEARCH

The objective of this research is to contribute to better understanding in the area of CSR by producing empirically based research on four (4) foreign mining companies and the CSR strategies which they have introduced to further social and economic development in Ghana. The central argument of the research is that while the provision of CSR projects may constitute an important cost element to foreign mining companies it remains an instrument for

reinforcing corporate capture of the livelihood of beneficiary communities. In other words, the strategy of CSR in the mining sector presupposes the positive economic impacts of mineral exploitation, rather than question the conditions under which mining can provide a maximal developmental impact. In investigating the central theme of the paper some important research questions arise for response:

- i. How are CSR projects planned and implemented by mining companies for local communities?
- ii. What is the level of flexibility for local Assemblies and communities in the determination and management of CSR projects delivered by mining companies?
- iii. Are the key elements of sustainable livelihood captured by CSR projects provided by mining companies?
- iv. What are the sources of finances for CSR projects delivered by mining companies?

The paper is organised into four parts. The first part presents a brief overview of the private mining companies and the areas in which they operate or have CSR projects. This brief overview focuses on the history of ownership, nature and location of investment in Ghana, production and employment figures, contribution to Internal Revenues Services. The second part covers a review of the literature existing and current studies underway in the area of CSR in Ghana and the third part consists of the method of study. The fourth part is the analysis of the role and strategies of CSR in improving community livelihood and sustainable development. This analysis will seek to respond to the research questions by drawing responses from beneficiaries of CSR initiatives, mining companies, non-governmental organisations, staff of District Assemblies where the investments are located, Minerals Commission and the Environmental Protection Agency among others. The fifth and last part of the study seeks to draw some conclusions from the study and makes recommendations towards optimising the contribution of mining towards improving community livelihood and development.

3.0 OVERVIEW OF SELECTED MINING COMPANIES IN GHANA

Ghana is a key player in the production and distribution of a variety of commercial minerals notably gold, diamond, manganese and bauxite. Since 1983, investment inflow into the mining sector of Ghana has amounted to US\$10.8 billion (Minerals Commission, 2011). In 2010, the contribution of the sector to the economy stood at 23.7% of government revenue, 49% of total merchandise exports and about 6% of GDP (Minerals Commission, 2011). This contribution comes from the production of various mining companies operating in Ghana mainly in the domain of gold. As at January 2009 a total of 225 mining companies were awarded mining leases and exploration rights (Minerals Commission, 2009). Out of this number, nine are large-scale mining companies (foreign owned). The nine companies produce the bulk of Ghana's gold, bauxite and manganese. The rest of the 225 are junior exploration companies and small scale operators spread across the length and breadth of the country. Four out of the nine large-scale foreign mining companies have been selected for this research. These are Gold Fields Ghana Limited (GFGL), Newmont Ghana Gold Limited (NGGL), AngloGold-Ashanti (AGA) and Ghana Bauxite Company Limited (GBCL). Tables 1 and 2 present the production and employment data of the four companies respectively.

Table 1: Production of Four Foreign Gold Mining Companies for the Period 2004-2011

Company	Mine	Production (oz)							
		2004	2005	2006	2007	2008	2009	2010	2011
Goldfields Ghana Limited	Tarkwa	550,340	718,411	720,109	657072	628864	664515	735034	718617
Newmont Ghana Gold Limited	Ahafo	-	-	202,126	456448	524671	532595	545312	566285
	Akyem	-	-	-	-	-	-	-	-
AngloGold Ashanti	Obuasi	392,626	391,382	387,093	359962	357152	380490	316615	312595
Chirano Gold Mines Ltd (CGM)	Akoti/ Etwebo	-	21,385	126,707	115,450	120,983	177816	240222	261903

Source: Minerals Commission, 2013

Table 2: Employment Figures of Four Foreign Mining Companies for the Period 2004-2011

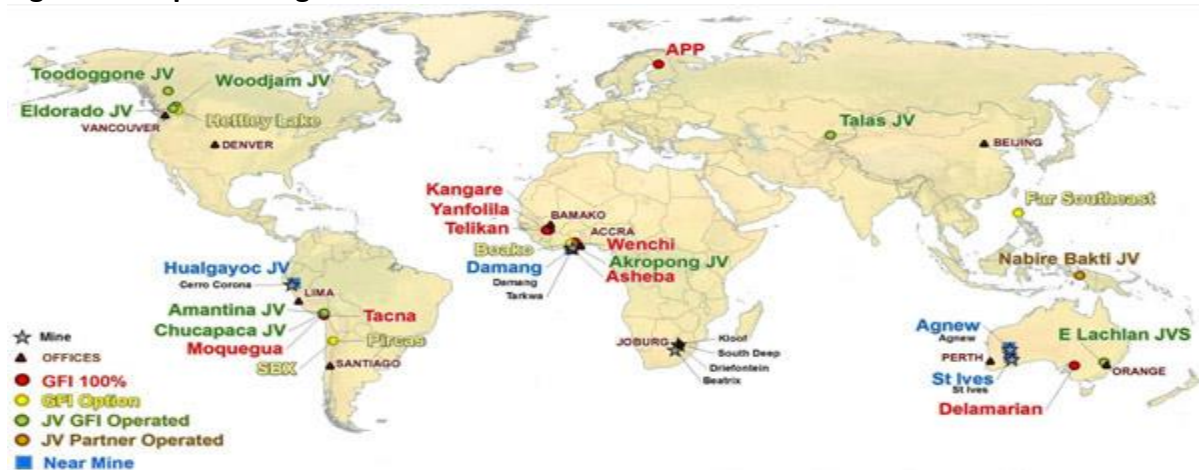
Company	Employment				
	2007	2008	2009	2010	2011
Goldfields Ghana Limited (GGL)	3,754	3,833	4,107	4,153	4,024
Newmont Ghana Gold Limited (NGGL)	3,721	4,664	4,765	3,578	4,957
AngloGold Ashanti (AGA)	6,226	5,722	5,759	5,722	5,538
Chirano Gold Mines Ltd (CGM)	478	520	537	678	1,303

Source: Minerals Commission, 2013

3.1 GOLDFIELDS GHANA LIMITED (GGL)

Gold Fields Ghana Limited was incorporated in Ghana in 1993 as a legal entity holding the Tarkwa concession mining rights for the period through 2027. Gold Fields Ghana Limited holds 90% of the issued shares and the government of Ghana holds the remaining 10% as the minimum free carried interest under the minerals and mining laws of Ghana. The Tarkwa Gold mine is located in Atuabo 4km west of Tarkwa capital of Tarkwa-Nsuaem Municipal Assembly in the Western Region of Ghana, about 300 km by road west of Accra, the national capital (Figure 1). The mine covers a total land area of approximately 20,825 hectares and operated as open pit surface. The company has become the leading gold producer in Ghana since 2004 (Table 1).

Figure 1: Map Showing Gold Fields Tarkwa Mine in Global Context



Gold Fields Ghana Limited is subsidiary of Gold Fields South Africa a public company incorporated in the Republic of South Africa. The company is listed in the Johannesburg Stock Exchange, New York Stock Exchange, NASDAQ Dubai Limited, Euronext in Brussels and the Swiss Exchange. The Company has six operating mines in Australia, Ghana, Peru, and South Africa.

Gold Fields of South Africa was formed in 1887 by Cecil Rhodes and Charles Rudd to hold properties they had acquired on the Transvaal's Witwatersrand gold fields. Reorganized as Consolidated Gold Fields of South Africa (Consgold) in 1892, it was plagued by uncertainties and found itself on a really firm footing only in the 1930s, when it took the lead in opening up the Western Rand in conjunction with Anglo American Corporation and others. In 1959, as part of a major restructuring exercise, the name "Gold Fields of South Africa" was revived for a South African rather than a British domiciled company, a wholly owned subsidiary to take over the management of the parent company's Southern African assets. In 1971, West Wits took over all of Gold Fields of the assets of South Africa as well as its name. In the 1990's Gold Fields and Gencor (the product of a 1980 merger between General Mining and Finance Corporation and Union Corporation) merged. The deal created Gold Fields Ltd making it the second largest gold concern in South Africa and a global competitor.

3.2 NEWMONT GHANA GOLD LIMITED (NGGL)

Newmont Ghana Gold Limited (NGGL) is fully owned by Newmont Mining Corporation (NMC), one of the largest gold producers in the world with assets in the United States, Australia, Peru, Indonesia, Ghana, Canada, New Zealand, and Mexico. NMC is a publicly traded company with headquarters in Denver, Colorado and it has approximately 31,000 employees worldwide. Newmont's Ghana operations are significant to Newmont, in that its gold reserves are estimated to comprise almost 20% of NMC's worldwide assets (Kapstein, et al., 2010).

NGGL currently operates two gold mine projects in Ghana. The first project the Ahafo Mine project is located in the Asutifi North and Tanoh Districts in the Brong-Ahafo Region second project the Akyem Gold Project is in Birim North District in the Eastern Region of Ghana. The Ahafo project was held by Normandy Mining Limited an Australian gold exploration and producing company. NGGL commenced its interests in Ghana by acquiring the NML Ahafo project in February 2002. The Ahafo project site is about eight hours drive from Accra the national capital.

The Ahafo Project was formalised on 19 December 2003 with the signing of a foreign investment agreement between Newmont and the Government of Ghana. By 2004 NGGL had started preparation towards the development of the mine by engaging in resettlement negotiations with the communities surrounding the mine and subsequently resettlement of hundreds of households. The Ahafo gold project is partly financed by a loan of USD 125 million from the International Finance Corporation (IFC) of the World Bank Group. Actual gold production at Ahafo began in January 2006 and the company poured its first gold there on July 18, 2006 and commenced commercial production in August 2006. NGGL currently operates four open pits at Ahafo with total reserves contained in 15 pits. An evaluation of the possibility for underground mining is underway with development of an underground exploration decline. Ahafo's proven and probable gold reserves, as at 31 December, 2009, were estimated at 9.1Moz.

The Akyem gold project is currently being developed for commercial production. This is the stage at which social, economic and environmental concerns arise and trigger various promises from companies and regulators.

3.3 ANGLOGOLD ASHANTI (AGA)

AngloGold Ashanti is a global gold mining company with a number of exploration and production programmes in Africa, Australasia, North America and South America. The headquarters of the company is located in Johannesburg, South Africa. AngloGold Ashanti operates underground and surface mining projects in the Obuasi Municipality. The company was formed in 2004, following a merger of AngloGold and Ashanti Goldfields Corporation. Until the merger, Ashanti Goldfields Corporation operated the underground and surface mines in Obuasi.

The Obuasi underground mine has been in operation since 1897 (Akabzaa, et al. 2007). Some residents in Obuasi believed that the mine influenced the growth of Obuasi from a village to a town. This perhaps, explains the location of mine facilities in the centre of Obuasi township. In 1985, the company introduced surface mining operations in addition to the underground mine.

The Obuasi mines have generated considerable amount of waste affecting access to land and pollution of water and the atmosphere. The original ecosystem has seen significant changes due to clearance of the vegetation and disposal of waste from mining with subsequent loss of biodiversity and agricultural farmlands. The active mining concession lies within the Offin River

Basin and the Jemi River sub-basin. The Jemi River sub-basin specifically serves the domestic and agricultural water needs of Obuasi and several other communities in the Obuasi Municipality. This River has been rendered unsafe due to pollution from the mines (Darimani, 2011). The surrounding communities complained that several other rivers in the Municipality including River Fena and Dokyiwaa have been polluted and rendered unsafe for drinking. AngloGold Ashanti uses chemicals including sodium cyanide, lime, zinc oxide, lead nitrate, hydrochloric acid, cyanide and various flotation reagents for gold processing which constitute sources of pollution.

Both AGA and NGGL have stability agreements with the government of Ghana. In view of this agreement, government lost its 10% automatic minimum free carried interest in each of the two mining companies. Government has appointed a committee to renegotiate the terms of the stability agreement and other fiscal provisions granted to mining companies in Ghana. The privileges granted to private mining companies under stability agreement constitute some of the major issues for current public debate about the role of mining in national development. While the industry maintains that those privileges are necessary for its continued viability, the public and citizens group argue that there must be a cut-off point to the privileges after nearly three decades of implementation of the liberalised mining regime, and that the time is now when the price of gold in particular experiencing sustained increases in the world market.

3.4 GHANA BAUXITE COMPANY LIMITED (GBCL)

Ghana Bauxite Company Limited is located in Awaso in the forest reserve of Awaso group of hills also known as (*Affoh or Sefwi Bekwai*) in Awaso in the Western Region of Ghana. The mine was established in 1941 with British Aluminium Company as the sole owner. Mining of bauxite in the Awaso forest first began in 1928 by the British Aluminium company. This followed successful geological reconnaissance of bauxite deposit by the Gold Coast Geological Survey in 1921. During the 1928, ore extraction was carried out manually, except the blast hole drilling which were done by the use of machines. Also, the rail line in the western corridor of Ghana ended at Dunkwa, about 80 kilometres from Awaso. The ore then had to be loaded in 5-tonne trucks and hauled to the railhead at Dunkwa by road to be transported to port facility at Takoradi for shipment. The first bauxite cargo from Awaso left the Takoradi port on 15th May 1941. By 1944, the railway line was extended from Dunkwa to Awaso to facilitate haulage of the ore directly to the port in Takoradi (GBC, 2008 and Anaman, 2008).

The British Aluminium Company subsequently entered into joint venture arrangement with the Government of Ghana with the new name Ghana Bauxite Company (GBC). By 1974 the equity agreement gave the Government of Ghana 55% equity shares of the Company and 45% to British Aluminium Company. In 1982, Alcan International took over GBC and renamed it British Alcan Chemicals. This takeover made the Government of Ghana to lose its majority shareholding in the company. This agreement lasted for over five years. In 1997, the government of Ghana decided to float its shares in GBC as part of the national divestiture programme. The joint venture partner Alcan International acquired the 35% equity share on offer by the Government of Ghana. With this arrangement, Alcan International became the

majority shareholder in 1998 with equity share of 80% while the government of Ghana has 20% free carried interest. Further in 2007, Rio Tinto, a UK and Australia based mining giant entered into a US\$38.1billion merger arrangement with Alcan International the parent company of Ghana Bauxite Company. In February 2010, Rio Tinto Alcan announced the sale of its equity interest in GBC to a Chinese mining firm Bosai Minerals Group Company Limited. With the signing of a memorandum of understanding (MoU), Bosai Minerals Group was expected to invest US\$1.2 billion in GBC by establishing a modern alumina refinery plant in Ghana. The investment is part of a four-year development plan to upgrade the production capacity of GBC.

4.0 REVIEW OF LITERATURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

The over twenty years of implementing the World Bank inspired mining sector policies has seen the evolution of corporate social responsibility initiatives by private mining companies to address wider social, economic and environmental challenges of the communities in which they operate. Despite its popularity in the business community there is no consensus about its meaning, boundaries and effects on quality of lives of beneficiaries. Common concepts used to describe corporate social responsibility include business ethics, corporate citizenship, corporate environmental management, business and society, corporate governance, strategic philanthropy, business in society, responsible investment, ethical profitability, sustainable development or the triple bottom line. According to Davis (1973) CSR is “the firm’s considerations of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm to accomplish social and environmental benefits along with the traditional economic gains which the firm seeks”. Davis conception points out clearly that CSR is a voluntary mechanism in response to issues which may are not necessarily be part of the core purpose of investment by the firm. The World Business Council for Sustainable Development-WBCSD (2001) defines CSR as “the commitment of business to contribute to sustainable economic development, working with employees, their families and the local communities”. CSR has seen as a mere business practice (Guerra, 2002); others like (Lunheim, 2003) suggest that CSR is essentially an arena for business-society-relationship.

It is not only the meaning of corporate social responsibility which defies consensus but also its boundaries. Carroll (1979) points out that CSR may be economic in nature, which includes providing a return on investment to owners and shareholders; creating jobs and fair pay for workers; discovering new resources; promoting technological advancement, innovation, and the creation of new products and services. This suggests that the concept of CSR encompasses several dimensions of business activity ranging from social through economic to ecology as well as from the micro (specific project level) to macro (programmes at the general society level). For instance, a consortium of mining companies in Ghana (Newmont Ghana Gold Limited, AngloGold Ashanti Limited, Golden Star Resources and Goldfields Ghana) built a plant at Tema at a cost of 40 million dollars to supply 80 megawatts of power to supplement the country’s energy generation effort (Chamber of Mines, 2006).

Jamali and Mirshak (2006) suggest that CSR is about legal compliance by businesses. This means that society expects business to fulfill its economic mission within the framework of legal

requirements. CSR may also be a set of voluntary initiatives and charity to society. According to Broomhill (2007), neoliberal writers tend to see it fundamentally as the adoption of a set of voluntary policies, codes or guidelines, initiated and driven by the corporation. Further, there is debate regarding the motive and purpose for CSR. Franck A. & Jason H., (2005 cited in Broomhill, 2007) argue that there are two main drivers for CSR activities. The first driver is the expectations held by the immediate stakeholders of a company (its consumers, employees and investors) for responsible corporate conduct, and the second driver is the threat that the state will impose new binding regulations on companies. Others such as (Christian Aide, 2003; Bendell, 2004 and Jenkins, 2005 cited in Broomhill, 2007) believe that CSR is a response to the escalating corporate scandals and the accompanying criticisms, protests and demands from a wide range of actors including communities, international trade unions, development NGOs, gender and human rights activists.

One of the most controversial issues regarding CSR is whether initiatives and projects delivered in and for rural communities are adequate replacement of their livelihoods and sustainable. When operation of a new mine begins local communities often view it as an opportunity to access social opportunities that will enhance their welfare. For mining companies, CSR is the manifestation of a move towards greater sustainability in the industry i.e. the practical implementation of the goals of sustainable development. CSR is a means by which companies can frame their attitudes and strategies towards, and relationships with, other actors, be they investors, employees or, as is salient here, communities. In the mining industry, progress within the three dimensions of sustainable development (economic, environmental and social) could be achieved through – economic development – investment of generated revenues to ensure the future development and long-term livelihood of the communities. Auty (1998) and Frynas (2005) have argued that many of the social opportunities provided by CSR activities border on creating a culture of dependency on a depleting asset with a finite life, which is an unsustainable process. Jenkins and Obara (2008) used a case study of two multinational mining companies operating in the Western Region of Ghana to examine the community development approaches of large scale mining companies. They concluded that the process for consultation for the delivery of CSR projects was inadequate. The Extractive Industries Transparency Initiative (EITI), which was set up in 2002 at the World Summit on Sustainable Development (WSSD) serves as an avenue for promoting CSR in the extractive industry. In Ghana nearly all the large-scale mining companies subscribe as members of the Ghana Extractive Industries Transparency Initiative (GEITI). The GEITI does not include social and environmental concerns as well as human right abuses by mining companies, which come across to many communities and civil society as the fundamentals of the CSR concept and livelihood restoration in rural areas.

Theoretical Framework

This research takes sustainable development as the theoretical framework for explaining corporate social responsibility in the mining sector of Ghana. (yet to be developed

Methodology

Within the context of political economy, a qualitative approach is being used to gather and analyse data on the role of corporate social responsibility in the mining sector of Ghana in promoting community livelihood and development. Data is being obtained from primary and secondary sources. Primary data are being collected from men, women and youth who live communities that are beneficiaries of corporate social responsibility projects of mining companies. Other informants include Assembly members, traditional authority, and staff of the local Assemblies in study area, Non-governmental organizations, Ghana Chamber of Mines, the Minerals Commission, Ghana Revenue Authority and other institutions. Some respondents are being used to identify other key informants (snowballing) for interviews. To deepen the investigation and analysis a case study analysis of four (4) large-scale mining companies operating in Ghana is being conducted. These are Goldfields Ghana Limited (GGL), Tarkwa in the Tarkwa-Nsuaem Municipal Assembly in Western Region; AngloGold Ashanti Limited (AGA), Obuasi in the Obuasi Municipal Assembly in Ashanti Region; Newmont Gold Ghana Limited (NGGL) Kenyasi Ahafo mine and Akyem mine in the Asutifi North District in Brong Ahafo Region and Birim North District in Eastern Region respectively; and Ghana Bauxite Company Limited in Awaso in the Bibiani-Ahianso-Sefwi District in Western Region. The case study consists of an assessment of the different approaches taken by these companies in the delivery of their CSR to communities and community development as a whole. It also include an assessment of the sustainability of the CSR projects delivered by the mining companies to communities.

The main instruments used for gathering data include focused group discussions, semi-structured questionnaires and field observations. Data collected from both primary and secondary sources would be analyzed and interpreted in line with the research objective and questions.

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